

type of property. Current downpayment requirements will be provided by county office personnel upon request.

(f) *Interest rate.* The FP/NP interest rate for real property or chattel property, as applicable, in effect at the time of loan approval, will be charged on NP assumptions and credit sales involving all other types of sales, except as otherwise stated. The Homestead Protection program interest rate in effect at the time of loan approval will be charged on Homestead Protection properties.

(g) *Terms.* The purchase price for credit sales or the FLP debt being assumed, less the downpayment amount, will be amortized as follows, except the term will never be longer than the period for which the property will serve as adequate security:

(1) *Farm property (real estate security) and CONACT residential property classified as surplus.* The note amount will be amortized over a period not to exceed 15 years. When an NP loan was initially scheduled for repayment in 15 years or less together with a 25-year amortization, the agency may authorize an extension not to exceed a total of 25 years from the date the NP assumption or credit sale was closed provided it is in the Government's best interest and the agency retains the same lien priority.

(2) *Farm property (chattels security).* The note amount will be amortized over a period not to exceed 5 years.

(3) *Homestead protection.* The note amount will be amortized over a period not to exceed 35 years.

(h) *Modification of security instruments.* Any covenants in the promissory note and/or security instruments (mortgage or deed of trust) relating to graduation to other credit, inability to secure other financing, restrictions on leasing, FLP operation requirements, and consent to junior lien encumbrance will be deleted.

(i) *Security.* The security requirements for NP loans on farm real estate will be in accordance with subpart A of part 1943 of this chapter and NP loans on chattel property will be secured in accordance with subpart A of part 1962 of this chapter. Except that, an NP loan will be secured only by the property purchased.

(j) *Closing.* Title clearance, preparation of deeds, loan closing and property insurance requirements are the same as for a program loan on the same type property, except the purchaser must pay his/her own closing costs.

[58 FR 52646, Oct. 12, 1993, as amended at 62 FR 10120, Mar. 5, 1997; 68 FR 61331, Oct. 28, 2003]

§ 1951.456 [Reserved]

§ 1951.457 Payments.

(a) *Receiving payments.* Borrowers will mail or bring their payments to the county office. Borrowers will be responsible for any fees associated with converting cash payments to money orders. If the fee is not paid, it will be deducted from the payment.

(b) Payments not received when due. NP borrowers are expected to make scheduled payments when due. The Agency personnel are not required to provide program supervision, servicing, management or credit counseling in accordance the agency servicing instructions if payments are not received when due. To ensure consistency, a series of contacts will be made when servicing delinquent accounts. All actions taken, agreements reached and recommendations made in the servicing of the borrower's account are to be documented. When appropriate, the Agency may work out a reasonable agreement with an NP borrower to cure a delinquency; however, such an agreement will not usually exceed 1 year. Failure to make payments as agreed will result in actions determined by the agency to best protect the Government's interest. Collection of a delinquency from an Internal Revenue Service (IRS) offset will be used to the extent permitted by law.

[58 FR 52646, Oct. 12, 1993, as amended at 60 FR 55146, Oct. 27, 1995; 62 FR 10120, Mar. 5, 1997]

§ 1951.458 Servicing real estate taxes.

Refer to subpart A of part 1925 of this chapter for servicing real estate taxes.

[62 FR 10120, Mar. 5, 1997]